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October 8, 2004

Mary L. Cottrell, Secretary
Department of Telecommunication and Energy
One South Station, 2nd Floor
Boston, MA 02202

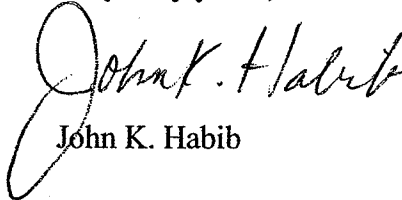
Re: D.T.E. 04-61 – Petition of Boston Edison Company and Commonwealth Electric Company for Approvals Relating to the Termination of Power Purchase Agreements with MASSPOWER

Dear Secretary Cottrell:

Enclosed please find the responses of Boston Edison Company d/b/a NSTAR Electric ("Boston Edison") to discovery questions asked by the Attorney General and the Department of Telecommunications and Energy in the above-referenced proceeding, as listed on the following Discovery Log. Please note that certain documents that are responsive to these questions are confidential and are being filed under separate cover with the Attorney General and the Hearing Officer only.

Thank you for your attention to this matter.

Very truly yours,



John K. Habib

Enclosures

cc: Service List
Joan Foster Evans, Hearing Officer (2)
Colleen McConnell, Assistant Attorney General (2)

LOG OF RESPONSES FILED

D.T.E. 04-61

October 6, 2004

Response	Status	Other
DTE-1-1	Filed October 5	Attachment DTE-1-1 CONFIDENTIAL CD-ROM
DTE-1-2	Filed October 5	Attachment DTE-1-2 CONFIDENTIAL CD-ROM
DTE-1-3	Filed October 5	Attachment DTE-1-3 CONFIDENTIAL CD-ROM
DTE-1-4	Filed October 5	Attachment DTE-1-4 CONFIDENTIAL CD-ROM
DTE-1-5	Filed October 5	Attachment DTE-1-5 CONFIDENTIAL CD-ROM
DTE-1-6	Filed October 5	
DTE-1-7	Filed October 5	Attachment DTE-1-7 (a) and (b), each CONFIDENTIAL CD-ROM
DTE-1-8	Filed October 5	
DTE-1-9	Filed October 6	Attachment DTE-1-9 CONFIDENTIAL CD-ROM
DTE-1-10	Filed October 5	
DTE-1-11	Filed October 5	Exhibit BEC-GOL-2 through 8, each CONFIDENTIAL CD-ROM
DTE-1-12	Filed October 5	Exhibit COM-GOL-2 through 8, each CONFIDENTIAL CD-ROM
DTE-1-13	Filed Herewith	Attachment DTE-1-13 (a) CONFIDENTIAL CD-ROM Attachment DTE-1-13 (b) CONFIDENTIAL CD-ROM Attachment DTE 1-13 (c) CONFIDENTIAL CD-ROM Attachment DTE-1-13 (d) CONFIDENTIAL CD-ROM Attachment DTE-1-13 (e) CONFIDENTIAL CD-ROM Attachment DTE-1-13 (f) CONFIDENTIAL CD-ROM Attachment DTE-1-13 (g) CONFIDENTIAL CD-ROM
DTE-1-14	Filed Herewith CONFIDENTIAL	
DTE-1-15	Filed October 6 CONFIDENTIAL	
DTE-1-15 (REVISED)	Filed Herewith CONFIDENTIAL	
DTE-1-16	Filed October 6	Attachments DTE-1-16 (a) through (e), each CONFIDENTIAL CD-ROM
DTE-1-16 (Supp)	Filed Herewith	
DTE-1-17	Filed October 5	
DTE-1-18	Filed October 5	Attachments DTE-1-18 (a) and (b)
DTE-1-19	Filed October 5	Attachments DTE-1-19 (a) and (b)
DTE-1-20	Filed October 5	
DTE-1-21	Filed October 5	
DTE-1-22	Filed October 5	
DTE-1-23	Filed October 5	

Response	Status	Other
DTE-1-24	Filed October 5	
DTE-1-25	Filed October 5	
DTE-1-26	Filed October 5	
AG-1-1	Filed October 6	Attachments AG-1-1 (a) through (f)
AG-1-2	Filed October 6	
AG-1-3	Filed October 6	
AG-1-4	Filed October 6	Attachment AG-1-4 (a) Attachment AG-1-4 (b) CONFIDENTIAL
AG-1-5	Filed Herewith	Attachment AG-1-5 (a) through (h), each CONFIDENTIAL
AG-1-6	Filed October 6	
AG-1-7	Filed October 6	
AG-1-8	Filed October 5	
AG-1-9	Filed October 5	Attachment AG-1-9
AG-1-10	Filed October 6	
AG-1-11	Filed Herewith	Attachment AG-1-11
AG-1-12	Filed Herewith	Attachment AG-1-12
AG-1-13	Filed October 6	
AG-1-14	Filed October 6	
AG-1-15	Filed October 6	
AG-1-16	Filed October 6	
AG-1-17	Filed October 6	
AG-1-18	Filed October 6	
AG-1-19	Filed October 6	
AG-1-20	Filed October 6	
AG-1-21	Filed October 6	Attachment AG-1-21 CONFIDENTIAL
AG-1-22	Filed October 6	
AG-1-23	Filed October 6	
AG-1-24	Filed October 6	
AG-1-25	Filed October 6	
AG-1-26	Filed October 6	
AG-1-27	Filed October 6	
AG-1-28	Filed October 6	
AG-1-29	Filed October 6	
AG-1-30	Filed October 6	
AG-1-31	Filed October 6	Attachment AG-1-31 CONFIDENTIAL CD-ROM
AG-1-32	Filed October 6	
AG-1-33	Filed October 6	
AG-1-34	Filed October 6	
AG-1-35		
AG-1-36	Filed October 6	Attachment AG-1-36 BULK
AG-1-37	Filed October 5	
AG-1-38	Filed October 5	

Response	Status	Other
AG-1-39	Filed October 6	
AG-1-40	Filed Herewith	Attachment AG-1-40 BULK CD-ROM
AG-1-41	Filed Herewith	Attachment AG-1-41 CONFIDENTIAL
DTE-2-1		
DTE-2-2		
DTE-2-3		
DTE-2-4		
DTE-2-5		

Information Request DTE-1-13

Please explain whether any of the corrections (erratas) made to the initial filing in D.T.E. 04-60 affect the customer savings analyses filed in D.T.E. 04-61. If yes, (1) please describe each correction and explain how it affects the savings analyses in this proceeding, and (2) provide corrected copies of the exhibits.

Response

CONFIDENTIAL ATTACHMENTS

The corrections made to the initial filing in D.T.E. 04-60 affected Cambridge Electric only. Therefore, those corrections had no effect on the customer savings analyses filed in D.T.E. 04-61.

Since the time of the initial filing some of the original cost estimates relating to the securitization transaction and closing costs and the escrow account balance have been updated or have become known. The attachments to this response include the following updated inputs:

- (a) The forecast issuance costs for the securitization are reduced from 2 percent (\$7.243 million) to 1 percent ((\$3.394 million), providing significant savings to customers (Exhibit NSTAR-GOL-2, page 1, line 9)
- (b) The Make Whole provision has been reduced from \$20 million to \$0.25 million due to effective negotiations with the Commonwealth Bondholders. providing significant savings to customers (Exhibit NSTAR-GOL-2, page 1, line 2)
- (c) The forecast of other costs, which include legal and consulting fees, has increased from \$0.5 to \$1.1 million, but with the successful renegotiation of NEA and Dartmouth PPAs, there are savings to customers (Exhibit NSTAR-GOL-2, page 1, line 3)
- (d) Additionally, it was learned after the initial filing was made that at the final closing an escrow account pertaining to Boston Edison's MASSPOWER contract must be settled. This settlement accrues to the benefit of Boston Edison customers. The settlement amount, if based on the July 2004 month-end escrow account balance, would be

approximately \$10.8 million (Exhibit NSTAR-GOL-4- page 6
Masspower 2005 April – December).

The following exhibits have been updated to reflect the updated amounts listed above:

Attachment DTE-1-13(a)	NSTAR-GOL-2 (Update) (CONFIDENTIAL CD-ROM) (the Securitization amount decreases by \$23 million)
Attachment DTE-1-13(b)	NSTAR-BEC-GOL-2 (Update) ¹ (the Boston Edison customer savings increases by \$25.5 million)
Attachment DTE-1-13(c)	NSTAR-BEC-GOL-3 (Update) (CONFIDENTIAL CD-ROM)
Attachment DTE-1-13(d)	NSTAR-BEC-GOL-4 (Update) (CONFIDENTIAL CD-ROM)
Attachment DTE-1-13(e)	NSTAR-COM-GOL-2 (Update) (the Commonwealth customer savings increases by \$3.5 million)
Attachment DTE-1-13(f)	NSTAR-COM-GOL-3 (Update) (CONFIDENTIAL-CD-ROM)
Attachment DTE-1-13(g)	NSTAR-COM-GOL-4 (Update) (CONFIDENTIAL-CD-ROM)

¹ For convenience and ease of reference, the Attachment is saved on the **CONFIDENTIAL CD-ROM** provided with this response. However, the document is not confidential.

Year	Exh. NSTAR- BEC-GOL-3 Revenues	Exh. NSTAR- BEC-GOL-4 Revenues	Customer Savings
2004	\$ 284.4	\$ 284.4	\$ -
2005	352.9	349.2	3.7
2006	318.5	320.4	(1.9)
2007	321.5	318.0	3.5
2008	276.1	269.7	6.3
2009	275.6	264.7	10.9
2010	220.6	206.8	13.8
2011	170.4	153.3	17.1
2012	90.8	70.3	20.4
2013	89.9	41.3	48.6
2014	30.5	30.5	-
2015	28.7	28.7	-
2016	20.3	20.3	-
Total	\$ 2,480.3	\$ 2,357.7	\$ 122.6
6.61%	\$ 1,978.7	\$ 1,901.2	\$ 77.5

Present Value of Savings
at After Tax Discount Rate in Settlement Agreement
page 254

COMMONWEALTH ELECTRIC COMPANY

Year	Base Case Revenues	Masspower Buyout Revenues	Customer Savings
2004	\$ 74,654	\$ 74,654	\$ -
2005	174,902	174,902	-
2006	178,400	176,818	\$ 1,582
2007	147,477	99,373	\$ 48,104
2008	100,621	95,331	\$ 5,290
2009	78,925	88,745	\$ (9,820)
2010	78,545	88,149	\$ (9,604)
2011	78,398	87,701	\$ (9,303)
2012	79,334	88,312	\$ (8,978)
2013	77,157	81,077	\$ (3,920)
2014	79,650	79,650	-
2015	78,668	78,668	-
2016	60,828	60,828	-
2017	14,584	14,584	-
2018	5,357	5,357	-
2019	5,094	5,094	-
2020	5,030	5,030	-
2021	5,321	5,321	-
2022	2,803	2,803	-
2023	1,160	1,160	-
2024	0,404	0,404	-
2025	0,265	0,265	-
2026	0,345	0,345	-
Total	\$ 1,327,922	\$ 1,314,571	\$ 13,351
NPV	\$ 911,470	\$ 892,958	\$ 18,513

Discount Rate 8.200%
Discounted at Commonwealth After Tax Discount Rate
used in the Company's Restructuring Filing

Information Request DTE-1-14

Refer to Exhibit NSTAR-GOL-2, line 5 on page 1. Please provide a narrative explaining why the estimated tax savings arising from the buyout and make whole tax deduction must be present valued. In addition, please provide a detailed calculation of the present value amount of the \$142,014.

Response

REDACTED RESPONSE

The objective of the securitization is that all benefits (and costs) flow to the customers and the Company neither makes nor loses money from the securitization. All the cash flows associated with the securitization are present valued at the securitization rate to arrive at the securitization amount.

The Company is allowed a current tax deduction when the buyout occurs as well as a current tax deduction for any debt make whole provisions. Because the Company is allowed a tax deduction it can avoid paying federal and state taxes. This tax benefit reverses as the principal revenue is received and is taxable (see response to Information Request DTE-1-15). The amounts differ slightly because the securitization is not exactly the same as the buyout amount due to the difference in present valuing the tax streams. The difference in the timing represents the interest the Company can earn on the tax differential, which is why the tax streams are discounted at the securitization rate.

For a detailed calculation of the present value amount of **[REDACTED]** (**[REDACTED]** for Boston Edison and **[REDACTED]** for Commonwealth) on Exhibit NSTAR-GOL-2 **CONFIDENTIAL**, line 7 on page 1, please refer to pages 2, line 1 columns D and E as shown on the reference. The reference on columns D and E on page 2 state "P.4 lines 10 and 14". This is incorrect and it should have read "P.5 lines 7 through 10 21 and 23". The explanation in Exhibit NSTAR-GOL, page 22 gives a better explanation of how the taxes are calculated¹.

¹ Q. What is displayed in each of the columns?

- A. Columns B and C show the total buyout amounts and make-whole payments allocated to the two companies as shown on page 1 line 4. Columns D and E show the cash inflow (avoidance of tax cash outflows – i.e., tax shields) to the Company from the deductibility of the buyout and make-whole amounts. The Company must have sufficient income to make the deductions. The tax payments are made quarterly for state tax purposes based on the forecast income for the year as follows: 40 percent in March; 25 percent in June; 25 percent in September; and 10 percent in December (as shown on page 5 lines 7 through 10). Federal tax payments are made on December 15th each year. Columns F and G show the tax

The explanation of the tax deductions is laid out on page 5 of Exhibit NSTAR-GOL-2 (CONFIDENTIAL).

The State tax is calculated on a company-by-company basis. The Commonwealth calculation is the same method as Boston Edison. The 2005 State Tax for Boston Edison is calculated on lines 1 through 15. There is no State Tax carryover, so a tax deduction that is lost in 2005 is lost forever. This is different from Federal taxes where tax deductions can be carried forward or back. The State Tax calculation begins with the State Income tax available for tax deductions. Once deductions exceed income there is no tax recoverability. The Company's tax department provided the [REDACTED] estimate for 2005 income as shown on line 1. In addition, the [REDACTED] principal revenues on line 3 (as discussed in the response to Information Request DTE-1-15) provide additional revenue for the year. Since the monthly principal payment is [REDACTED] (page 2, rounded in column J), the total 2005 principal payment is nine times the amount ($[REDACTED] \times 9 \text{ months} = [REDACTED]$). The total revenues are line 1 plus line 2, or [REDACTED]. Thus the maximum tax deduction is 6.5% times this amount or [REDACTED]. This payment is split over the four quarters as shown on lines 7 through 10 in accordance with the State regulations. Since the buyout and make-whole provision is [REDACTED] (page 1, line 4), the potential tax deduction would have been [REDACTED] ($[REDACTED] \text{ times } 6.5\%$), there is an unrecoverable amount of state taxes of [REDACTED] ($[REDACTED] \text{ less } [REDACTED]$).

The Federal Tax calculation is calculated for the consolidated company. 2005 and 2006 are shown on lines 12 through 23. The federal tax deduction begins with the deductible expense of [REDACTED] (page 1, line 4), which is reduced by the State Tax deduction of [REDACTED] (line 5) to arrive at the 2005 deductible amount. However, the available income is less than this, resulting in a carryover to 2006. Line 17 shows the [REDACTED] estimate of the Consolidated Income for Federal Tax purposes which was supplied by the Company's tax department. To this the [REDACTED] principal income from the Securitization revenues for both Boston Edison ([REDACTED]) and Commonwealth ([REDACTED]) is added and the State Tax deduction of [REDACTED] is deducted. This gives an available income level of [REDACTED] (line 20) allowing a federal tax deduction of [REDACTED] ($[REDACTED] \text{ times } 35\%$

shield relating to the issuance costs. The issuance costs on page 1, line 9 are divided by the 96 months over the eight-year period and multiplied by the effective tax rate on page 6. Columns H and I show the tax that is paid on the principal repayment from customers. It is calculated by multiplying the principal repayment for each year as shown on columns J and K and applying the state tax percentage (6.5 percent) for each quarter and applying the federal tax rate (page 5 line 25 being 32.725 percent after the state tax deduction allowed for federal taxes) to arrive at the federal tax in December.

Federal Tax rate). The [REDACTED] (line 22) carryover to 2006 is the difference between [REDACTED] (line 15) and the 2005 Income of [REDACTED] (line 20). This is multiplied by the 35% federal tax rate² to arrive at the [REDACTED] (line 23).

Thus the tax savings on page 2, lines 3 through 8 for columns D and E can be found on page 5 lines 7 through 9 columns C and D. The tax savings on page 2 line 11 (dec-05) can be found by adding lines 10 and 21 on page 5. The tax savings on page 2, line 23 (Dec-06) can be found on page 5 line 23.

It should be noted that the State tax loss for Boston Edison of [REDACTED], outlined above, is reduced because of the lower state tax deductibility. This is shown in the footnote on page 5, lines 27 through 29. To the extent that this deal inhibits the company from making State Tax deductions that otherwise could have made, the deal reflects this additional cost. As discussed in Exhibit NSTAR-GOL pages 18-19 this forecasted amount will be trued-up. The State Tax loss is a relatively small cost related to the buyout and is recovered by the Company from the securitization which can be seen by the undiscounted total for the credit for taxes on the "Tax Shield – Buyout Make Whole" in columns D and E line 99 ([REDACTED] = [REDACTED] plus [REDACTED]) being less than the effective tax rate of 39.225% (page 5 line 24) times the Buyout and Make Whole [REDACTED] to give a tax shield of [REDACTED]. The difference of [REDACTED] is reconciled on page 5 line 29.

The tax payments are present valued on line 1 at the securitization rate divided by 12 to arrive at a monthly securitization rate.

² The Federal tax rate (page 5) is 35% and is applied to the income after it is reduced by the 6.5% State taxes which are deductible for Federal taxes. As shown on line 24 an effective overall rate (Federal Plus State) can be calculated as a shortcut to give a rate of 39.225%. This could be viewed as an effective tax rate of 6.5% for State Taxes and 32.725% for Federal Taxes on income before the State tax deduction.

Information Request DTE-1-15

Refer to Exhibit NSTAR-GOL-2, line 7 on page 1. Please provide a narrative explaining why the estimated income tax payments associated with the recovery of securitization principle must be present valued. In addition, please provide a detailed calculation of the present value amount of \$117,165.

Response (REVISED)

REDACTED RESPONSE

The objective of the securitization is that all benefits (and costs) flow to the customers and the Company is held harmless from the securitization. All the cash flows associated with the securitization are present valued at the securitization rate to arrive at the securitization amount.

The Company recovers in rates the principal payments of the securitized debt from customers each month over the securitization period of eight years. As the Company receives the revenue, it pays federal and state taxes because the income is taxable but there is no current offsetting tax deductible expense (this is in contrast to the interest revenue which is equally offset by interest expense in the same period – thus no net tax impact). The tax offset to the principal revenue is the tax deductibility of the buyout, which occurs when the buyout takes place (see Information Request DTE-1-14). The amounts differ slightly because the securitization is not exactly the same as the buyout amount due to the difference in present valuing the tax streams. These taxes are cash payments made by the Company that must be recovered from customers so that the Company will be kept whole. The cash payments will be made over an eight year period and are present valued so that their impact can be included in the up front securitization amount.

For a detailed calculation of the present value amount of [REDACTED] ([REDACTED] for BECo and [REDACTED] for COM) on Exhibit NSTAR-GOL-2, line 7 on page 1, please refer to page 2, line 1 columns H & I as shown on the reference. The reference on columns H and J on page 2 state "Cols. K and L * the effective tax rate P.4 line 15". This is incorrect and it should have read "Cols. J and K * the effective tax rate

P.5". The explanation in my testimony page 22 gives a better explanation of how the taxes are calculated¹.

An example of the tax calculation for BECo for the year 2006 may be useful. First the annual revenue is calculated from column J – the principal monthly payments. Since the monthly payment is [REDACTED] (rounded in column J), the annual payment is twelve times the amount or [REDACTED].

- In March 40% (Page 5, line 7, Column B) of the annual state tax is due, which is [REDACTED] ([REDACTED] times 40% times 6.5%). This number can be seen on page 2, line 14 (Mar-06) column H "BECo".
- In June 25% (Page 5, line 8, Column B) of the annual state tax is due, which is [REDACTED] ([REDACTED] times 25% times 6.5%). This number can be seen on page 2, line 17 (Jun-06) column H "BECo".
- In September 25% (Page 5, line 9, Column B) of the annual state tax is due, which is [REDACTED] ([REDACTED] times 25% times 6.5%). This number can be seen on page 2, line 20 (Sep-06) column H "BECo".
- In December [REDACTED] State Tax and [REDACTED] Federal Tax is due totaling [REDACTED] This number can be seen on page 2, line 23 (Dec-06) column H "BECo".
 - In December 10% (Page 5, line 10, Column B) of the annual state tax is due, which is [REDACTED] ([REDACTED] times 10% times 6.5%).
 - In December 100% of the annual Federal tax is due, which is [REDACTED] ([REDACTED] times 32.725% - Page 5 line 25,

¹ Q. What is displayed in each of the columns?

A. Columns B and C show the total buyout amounts and make-whole payments allocated to the two companies as shown on page 1 line 4. Columns D and E show the cash inflow (avoidance of tax cash outflows – i.e., tax shields) to the Company from the deductibility of the buyout and make-whole amounts. The Company must have sufficient income to make the deductions. The tax payments are made quarterly for state tax purposes based on the forecast income for the year as follows: 40 percent in March; 25 percent in June; 25 percent in September; and 10 percent in December (as shown on page 5 lines 7 through 10). Federal tax payments are made on December 15th each year. Columns F and G show the tax shield relating to the issuance costs. The issuance costs on page 1, line 9 are divided by the 96 months over the eight-year period and multiplied by the effective tax rate on page 6. Columns H and I show the tax that is paid on the principal repayment from customers. It is calculated by multiplying the principal repayment for each year as shown on columns J and K and applying the state tax percentage (6.5 percent) for each quarter and applying the federal tax rate (page 5 line 25 being 32.725 percent after the state tax deduction allowed for federal taxes) to arrive at the federal tax in December.

Column B). This number can be seen on page 2, line 20 (Jun-06)
column H BECo.

This calculation method is used for the remaining years, except that it is assumed at April for the first year when the securitization is assumed to occur at the end of March, and 100 percent of the tax for 2013 is assumed to occur in March when the securitization ends.

The tax payments are present valued on line 1 at the securitization rate divided by 12 to arrive at a monthly securitization rate.

Information Request DTE-1-16

Refer to Exhibit NSTAR-GOL-2, page 22. Please provide any revisions to the Company's filing which would be necessary assuming that Federal tax payments are also made on April 15, June 15 and September 15.

Response (Supplemental)

The general statutory requirement for the making of estimated Federal income tax payments is 25 percent of the estimated annual liability payable on April 15, June 15, September 15 and December 15, unless an annualization methodology results in a lower payment stream.

NSTAR is able to utilize an annualization methodology for estimating its Federal income tax liability that effectively results in the payment of all or most of the annual estimated Federal liability on December 15. As a result, the Federal cash flow benefits of income and deductions under current rules are generally realized in December of each year.

The statutory requirements for State income tax payments is 40 percent of the estimated annual liability on March 15, 25 percent on June 15 and September 15, and 10 percent on December 15 with no annualization methodology available.

For the Federal cash-flow benefit in 2006, the deduction for buyouts in 2005 cannot all be used in that year so the remainder is carried back to 2004. However, the cash is not received until the 2005 return is filed, a carryback return is filed, and the Internal Revenue Service processes the paperwork and issues a wire. If NSTAR files the tax return for 2005 on September 15, 2006, files the carryback claim on September 16, 2006, the cash would most likely come three months, more or less, from then.

As stated in Exhibit NSTAR-GOL on page 19, lines 6-8, "[t]his estimate of State Tax loss will be trued up through the transition change when the actual amount is known."

Information Request AG-1-5

Please indicate whether there were any bids in the 1999-2000 Initial Auction on the MASSPOWER contract. If so, please provide copies of those bids along with all analyses of each bid done by and/or for the Company.

Response

CONFIDENTIAL ATTACHMENTS

In the 1999 auction, the Company received eight bids that included some or all of the MASSPOWER contracts, three portfolio bids, four bids for all three MASSPOWER contracts, and one bid specific to Boston Edison's MASSPOWER contract. Please see Attachment AG-1-5(a) (**CONFIDENTIAL CD-ROM**), Attachment AG-1-5(b) (**CONFIDENTIAL CD-ROM**), Attachment AG-1-5(c) (**CONFIDENTIAL CD-ROM**), Attachment AG-1-5(d) (**CONFIDENTIAL CD-ROM**), Attachment AG-1-5(e) (**CONFIDENTIAL CD-ROM**), Attachment AG-1-5(f) (**CONFIDENTIAL CD-ROM**), and Attachment AG-1-5(g) (**CONFIDENTIAL CD-ROM**) for copies of bids. Please see Attachment AG-1-5(h) (**CONFIDENTIAL CD-ROM**)(**BULK**) for analyses of each bid, as performed by Navigant Consulting. Please note that, although received and included in the analysis, the Company was not able to locate a copy of the eighth bid in its records.

Information Request AG-1-11

Referring to Exhibit NSTAR-RBH-6, page 2, please provide the history from the existing contract's inception date of the actual amounts for each of these columns.

Response

Please refer to Attachment AG-1-11 for the Contract Costs for MASSPOWER, as requested.

Masspower - Commonwealth 1

Year	Total KWHs	Energy Charge	Operating Cost	Wheeling Cost	Investment Cost	Canadian Pipeline Demand Cost	US Pipeline Demand Cost	Total Carrying Charges	Bonus/Penalty Adjustment	Total Cost
1993	88,179,574	1,293,472	498,267	247,850	1,466,366	740,025	621,389	3,573,898	71,046	4,938,415
1994	179,418,709	2,543,605	1,216,954	603,686	3,724,990	1,790,316	1,503,306	8,839,250	336,087	11,718,942
1995	188,025,642	2,708,406	1,237,268	609,171	3,910,983	1,790,316	1,503,306	9,051,044	558,188	12,317,638
1996	188,139,722	2,891,738	1,273,238	618,867	4,112,342	1,792,700	1,505,307	9,302,454	556,692	12,750,884
1997	217,779,187	3,577,010	1,302,033	627,424	4,331,968	1,798,615	1,510,275	9,570,315	466,108	13,613,432
1998	195,118,912	3,018,989	1,321,975	636,338	4,548,652	1,798,615	1,510,275	9,815,854	580,357	13,415,201
1999	197,602,449	2,672,498	1,325,248	637,822	4,775,965	1,798,615	1,510,275	10,047,924	496,827	13,217,249
2000	189,084,553	3,600,244	1,329,377	629,751	5,014,934	1,798,615	1,510,275	10,282,952	488,264	14,371,460
2001	150,317,774	3,679,862	1,362,399	637,837	5,265,561	1,798,615	1,510,275	10,574,887	432,068	14,686,618
2002	181,401,552	3,592,294	1,385,252	652,692	5,528,373	1,798,615	1,510,275	10,875,707	838,681	15,266,683
2003	184,121,733	5,887,811	1,405,195	656,018	5,805,214	1,798,615	1,510,275	11,175,317	912,803	17,975,932
2004	93,719,559	4,770,159	942,762	436,252	4,038,392	1,191,597	1,000,569	7,611,572	558,787	12,940,519

Notes:

- 1993 - Unit in service starting July
- 2004 - Information supplied is through August 2004

Information Request AG-1-12

Please provide the monthly capacity factor for MASSPOWER, since its startup.

Response

Please see Attachment AG-1-12 for the monthly MASSPOWER capacity factors since the startup of the unit.

MASSPOWER Capacity Factors

<u>Year</u>	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>
1993						19.70%	40.24%	88.63%	85.87%	98.87%	96.09%	69.78%
1994	84.76%	90.85%	85.34%	83.97%	62.69%	87.61%	80.90%	71.60%	66.40%	61.10%	67.93%	61.15%
1995	83.09%	93.39%	95.15%	97.83%	80.37%	82.87%	91.62%	72.87%	66.59%	28.36%	67.70%	88.51%
1996	88.96%	92.58%	84.07%	49.65%	53.18%	74.53%	64.46%	96.20%	91.18%	80.89%	86.08%	88.12%
1997	94.47%	99.34%	98.17%	85.18%	66.44%	97.90%	96.92%	98.47%	75.79%	95.10%	100.70%	99.93%
1998	96.78%	94.38%	65.01%	78.02%	94.63%	92.17%	94.34%	95.95%	89.30%	43.08%	96.16%	96.43%
1999	97.15%	88.09%	96.00%	98.54%	95.68%	94.75%	88.58%	85.99%	82.03%	14.19%	84.77%	83.58%
2000	55.94%	48.31%	75.01%	79.45%	84.77%	84.32%	86.29%	90.96%	89.71%	96.66%	70.81%	96.03%
2001	46.33%	64.48%	93.61%	57.84%	55.27%	67.86%	38.10%	83.47%	68.30%	72.66%	36.37%	79.51%
2002	66.37%	36.25%	83.71%	74.66%	85.70%	64.26%	68.19%	76.57%	88.65%	92.89%	87.53%	95.08%
2003	92.28%	91.92%	87.85%	92.64%	89.12%	87.81%	87.69%	52.20%	18.30%	81.77%	71.64%	78.63%
2004	78.60%	75.91%	58.91%	80.43%	81.17%	60.54%	20.06%	18.87%	47.55%			

Information Request AG-1-40

Please provide copies of the monthly invoices for the last 24 months associated with the MASSPOWER contracts along with all associated calculations and supporting documentation.

Response

Attached please find monthly invoices and detail for the last 24 months associated with the MASSPOWER contracts in the attached CD ROM **BULK** (Attachment AG-1-40).

Information Request AG-1-41

Please provide the history of MASSPOWER's heat rates for each month of operation since the start date.

Response

CONFIDENTIAL ATTACHMENT

Please see Attachment AG-1-41 **CONFIDENTIAL** for the monthly Heat Rates for MASSPOWER. Data for the years 1993, 1994, along with June 1997 thru December 1998 and from October 2003 until present are unavailable.